

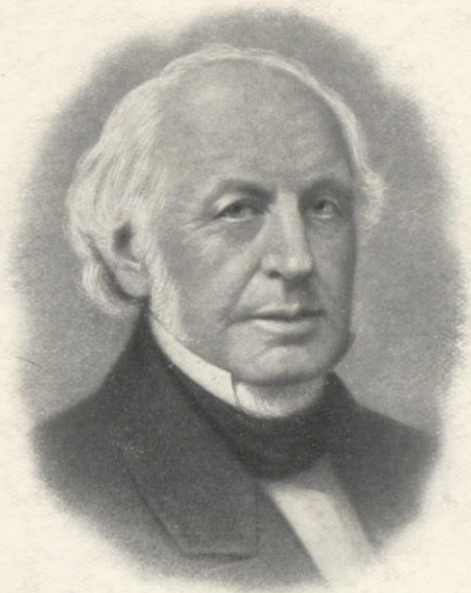
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CORPORATION FILE

The Baldwin Locomotive Works

OTIS & CO.
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Standard Steel Works Co.

PHILADELPHIA, PA., U. S. A.



Report

DECEMBER 31, 1928

BOARD
621.3
1928

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Eighteenth Annual Report

THE BALDWIN LOCOMOTIVE WORKS

December 31, 1928

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

DIRECTORS

THOMAS S. GATES, Chairman
WILLIAM L. AUSTIN
SAMUEL M. VAUCLAIN
WILLIAM E. COREY
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
JOHN M. HANSEN
FRANCIS M. WELD
ALVA C. DINKEY
FRED. J. FISHER
ARTHUR W. CUTTEN
JOS. N. EWING
GEORGE H. HOUSTON

Philadelphia
Rosemont, Pa.
Rosemont, Pa.
New York City
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
Pittsburgh
New York City
Philadelphia
Detroit
Chicago
Philadelphia
New York City

OFFICERS

SAMUEL M. VAUCLAIN
JOHN P. SYKES

WILLIAM DE KRAFFT

ARCHIBALD H. EHLE

CHARLES A. BOURGEOIS
JACQUES L. VAUCLAIN

HARRY GLAENZER
ARTHUR L. CHURCH
A. B. EHST

President
Senior Vice-President in Charge of Plants
and Manufacture
Vice-President in Charge of Finance, and
Treasurer
Vice-President in Charge of Domestic
Sales
Vice-President in Charge of Manufacture
Vice-President in Charge of Plant and
Equipment
Vice-President in Charge of Engineering
Secretary and Assistant Treasurer
Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

123 South Broad Street, Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Fidelity-Philadelphia Trust Company, 135 South Broad Street
IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Co. for Insurances on Lives and Granting Annuities, 15th and Chestnut Streets
IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

REPRESENTATIVES AND AGENTS

Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
Houston, Texas	RUSSELL A. HEY	1108-9 Second National Bank Building
New York, N. Y.	JOSEPH F. HOERNER	120 Broadway
Pittsburgh, Pa.	CHAS. E. HALE	375 Union Trust Bldg.
Portland, Ore.	A. J. BEUTER	313 American Bank Bldg.
Richmond, Va.	W. B. KEYS	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1010 Pine St.
San Francisco, Cal.	LATHAM McMULLIN	2910 Russ Building
Africa (South)	BALDWIN LOCOMOTIVE WORKS (S. A.) LTD.	North British Building, Johannesburg
Argentina	WALLACE R. LEE	Paseo Colon 486, Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
"	NEWELL & Co., PTY. LTD.	189 King Street, Melbourne, Victoria
"	LESLIE & Co.	959-61 Hay Street, Perth, Western Australia
Brazil	C. F. DODSON	Rua da Alfandega 48, Rio de Janeiro
"	CORY BROS. & Co., LTD.	Bahia and Pernambuco
Chile	CLYDE G. PINNEY	Edificio Ariztia, Santiago

China	ANDERSEN, MEYER & Co., LTD.	Shanghai
" (North)	J. F. GREIG, <i>Technical Representative</i>	
" (South)	E. P. WILLIAMS, JR., <i>Technical Representative</i>	Hongkong
Colombia	A. B. HARDIE	Bank of Colombia Building, Bogota
Cuba, Jamaica and Central America	BALDWIN LOCOMOTIVE WORKS OF CUBA	Corner Habana and O'Reilly Streets, Havana
European Continent (Excluding Russia and Scandinavia)	PAUL NEGRIER	42 bis Blvd. Richard-Lenoir, Paris
Great Britain	ASHTON DORR	34 Victoria Street, London, S. W. 1
Hawaiian Islands	C. BREWER & Co., LTD.	Honolulu
India	F. T. SLAYTON	5 Dalhousie Square, Calcutta
Japan	FRAZAR & Co., LTD.	Tokyo
"	J. F. GREIG, <i>Technical Representative</i>	
Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F. Mexico City
New Zealand	PHILIPS & PIKE, LTD.	Wellington
Peru and Ecuador	R. C. TINSLEY	Edificio Italia, Lima
Philippines	PACIFIC COMMERCIAL Co.	Manila
"	E. P. WILLIAMS, JR., <i>Technical Representative</i>	
Porto Rico	R. CARRION	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & Co., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Oslo, Norway
Venezuela	T. D. DREW-BEAR	Apartado 472, Caracas

PLANT AT BALDWIN,
EDDYSTONE, PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania
December 20, 1907

DIRECTORS

WILLIAM L. AUSTIN
SAMUEL M. VAUCLAIN
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
THOMAS S. GATES

Rosemont, Pa.
Rosemont, Pa.
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
JOHN P. SYKES

WILLIAM DE KRAFFT

A. A. STEVENSON
FRANK K. METZGER
ARTHUR L. CHURCH
A. B. EHST

President
Senior Vice-President in Charge of Plant
and Manufacture
Vice-President in Charge of Finance, and
Treasurer
Vice-President in Charge of Manufacture
Vice-President in Charge of Sales
Secretary
Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

To the Stockholders of The Baldwin Locomotive Works

The President submits to the Stockholders his report for the calendar year 1928—presenting:

The Baldwin Locomotive Works Summary of Operations, pages 7 and 8.

The Baldwin Locomotive Works Balance Sheet, page 9.

Standard Steel Works Company Balance Sheet, page 10.

The Consolidated Balance Sheet, page 11.

The Report of Certified Public Accountants, page 12.

The foreign business is gradually increasing and results are satisfactory.

The transfer of all equipment to Eddystone was completed June 30th, and is operating to our satisfaction. Many economies in operation are being made possible by this concentration.

The Philadelphia property has been placed in the hands of our Agents for sale. An agreement of sale approved by the Board of Directors has been entered into for that portion west of 26th Street.

The result of operations for the year, owing to the meager shipments, was more favorable than had been anticipated.

The number of the Board of Directors has been increased from twelve to fifteen.

The business outlook is more promising than it was at this time last year.

S. M. VAUCLAIN,
President.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1928

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Surplus For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	.....	\$900,000.00	\$771,419.32	.....	\$771,419.32
1912	28,924,335.16	3,698,571.44	.....	1,800,000.00	1,898,571.44	.....	2,669,990.76
1913	37,630,969.21	4,017,800.33	.....	1,800,000.00	2,217,800.33	.....	4,887,791.09
1914	13,616,163.36	365,229.92	\$15,000.00	1,800,000.00	1,449,770.08*	.....	3,438,021.01
1915	22,083,011.06	2,867,816.17	40,000.00	1,400,000.00	1,427,816.17	.....	4,865,837.18
1916	59,219,057.99	9,444,641.91	3,960,854.87	1,400,000.00	4,083,787.04	.....	8,949,624.22
1917	98,263,865.33	11,193,840.66	2,888,118.36	1,400,000.00	6,905,722.30	\$15,800,000.00	55,346.52
1918	123,179,251.99	18,262,112.05	15,009,816.51	1,400,000.00	1,852,295.54	.....	1,907,642.06
1919	84,307,776.72	8,871,243.30	3,095,000.00	2,100,000.00	3,676,243.30	970,527.60	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,978,751.03	2,800,000.00	1,628,518.72	2,830,505.69	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,918,176.63	2,800,000.00	2,244,096.47	.....	13,257,533.84
1922	33,087,258.62	6,765,514.43	1,558,995.38	2,800,000.00	2,406,519.05	3,266,725.00	18,930,777.89
1923	102,762,075.28	11,931,521.93	8,215,057.62	2,800,000.00	916,464.31	.....	19,847,242.20
1924	26,080,352.27	1,920,026.77	600,000.00	2,800,000.00†	1,320,026.77	2,800,000.00‡	18,367,268.97
1925	27,876,064.14	196,563.95	.....	2,800,000.00†	196,563.95	2,800,000.00‡	15,763,832.92
1926	47,891,668.91	6,492,422.39	608,515.42	2,800,000.00†	5,883,906.97	2,800,000.00‡	18,847,739.89
1927	32,901,143.07	3,705,446.70	1,263,246.87	2,800,000.00†	2,442,199.83	5,437,881.01§	15,852,058.71
1928	22,531,349.44	932,210.96	600,000.00	2,800,000.00†	332,210.96	3,074,377.08||	13,109,892.59
	\$898,432,180.55	\$109,705,925.08		\$39,200,000.00			

* Deficit

† From Reserves

‡ For Dividends Subsequent Year

§ Dividends 1928 and Accumulated Depreciation

|| " 1929 "

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations for the Year Ending December 31, 1928

Sales.....	\$22,531,349.44
Cost.....	22,960,831.82
Manufacturing Profit*	429,482.38
Other Income	
Interest, etc.	2,044,507.43
Gross Income	1,615,025.05
Deduct	
Accrued Interest, etc.	682,814.09
Profit	932,210.96
Less Depreciation	600,000.00
Net Profit.....	\$332,210.96

(Subject to revision to meet any changes in interpretation of Federal Tax Laws,
Regulations or Rulings.)

* Loss.

THE BALDWIN LOCOMOTIVE WORKS

Balance Sheet, December 31, 1928

ASSETS

PLANT AND EQUIPMENT:

Land and Buildings.....	\$21,774,564.44
Machinery and Fixtures.....	13,895,655.33

35,670,219.77

INVESTMENTS:

Standard Steel Works Co.....	9,041,501.31
Chicago Plant.....	474,216.43
Dwelling House.....	5,880.00

CURRENT ASSETS:

Inventories.....	3,338,609.65
Accounts Receivable.....	6,321,140.63
Bills Receivable.....	534,295.60
Miscellaneous Securities.....	3,096,221.03
Republic of Poland Bonds (5%).....	980,000.00
Roumanian Treasury Notes (7%).....	287,137.60
Mexican Govt. Rys. (Notes).....	1,317,325.76
Chinese Govt. (Kinhann Ry.).....	1,485,000.00
Republic of Colombia (Notes).....	134,052.80
Cash.....	2,567,402.99

DEFERRED CHARGES:

Advances, etc.	20,061,186.06
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SINKING FUND:

First Mortgage Bonds	125,728.47
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4,024,150.00

\$69,402,882.04

LIABILITIES

CAPITAL STOCK:

Preferred	\$20,000,000.00
Common	20,000,000.00

40,000,000.00

FIRST MORTGAGE BONDS

10,000,000.00

CURRENT LIABILITIES:

Accounts Payable.....	1,025,009.27
Depositors' Saving Fund.....	1,204,536.69

2,229,545.96

INTEREST:

Accrued Interest on Bonds.....	83,334.00
Interest Received in Advance.....	327,599.73

410,933.73

SURPLUS AND RESERVES:

Deferred Profit.....	695,491.20
Taxes	157,018.56
Dividends, 1929	2,800,000.00

3,652,509.76

13,109,892.59

16,762,402.35

\$69,402,882.04

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

STANDARD STEEL WORKS COMPANY

Balance Sheet, December 31, 1928

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK.....	\$8,000,000.00
Land, Buildings and Machinery.....	\$8,921,775.27		
CURRENT ASSETS:		CURRENT LIABILITIES:	
Inventories.....	1,757,521.89	Accounts Payable.....	741,573.66
Accounts Receivable	505,235.06	Saving Funds	146,930.09
Bills Receivable.....	2,472.62		888,503.75
Marketable Securities.....	203,639.89		
Cash	133,406.73	RESERVES:	
		Income Taxes	214,135.46
		SURPLUS.....	2,421,412.25
			\$11,524,051.46

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

THE BALDWIN LOCOMOTIVE WORKS AND STANDARD STEEL WORKS COMPANY
Consolidated Balance Sheet, December 31, 1928

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT	\$44,591,995.04	CAPITAL STOCK	\$40,000,000.00
INVESTMENTS, REAL ESTATE, ETC.	480,096.43	BONDED DEBT	10,000,000.00
CURRENT ASSETS	22,116,961.37	CURRENT LIABILITIES	2,571,548.83
DEFERRED CHARGES	125,728.47	INTEREST	410,933.73
SINKING FUND	4,024,150.00	SURPLUS AND RESERVES	18,356,448.75
	<u>\$71,338,931.31</u>		<u>\$71,338,931.31</u>

STOCKWELL, WILSON & LINVILL

LAND TITLE BUILDING

PHILADELPHIA

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the books of The Baldwin Locomotive Works and Standard Steel Works Company for the year ending December 31, 1928. In further verification of assets appearing on the books, we inspected and counted the notes receivable, securities, cash in hand, and obtained confirmation of bank balances and securities held by banks for your account.

While we did not actually count and weigh the merchandise, materials and finished stock, we inspected the inventory sheets and many of the items thereon as to price, extensions and footings thereof. The basis of valuation throughout was cost or market, whichever was lower, except that goods-in-process under sales contracts were valued at cost.

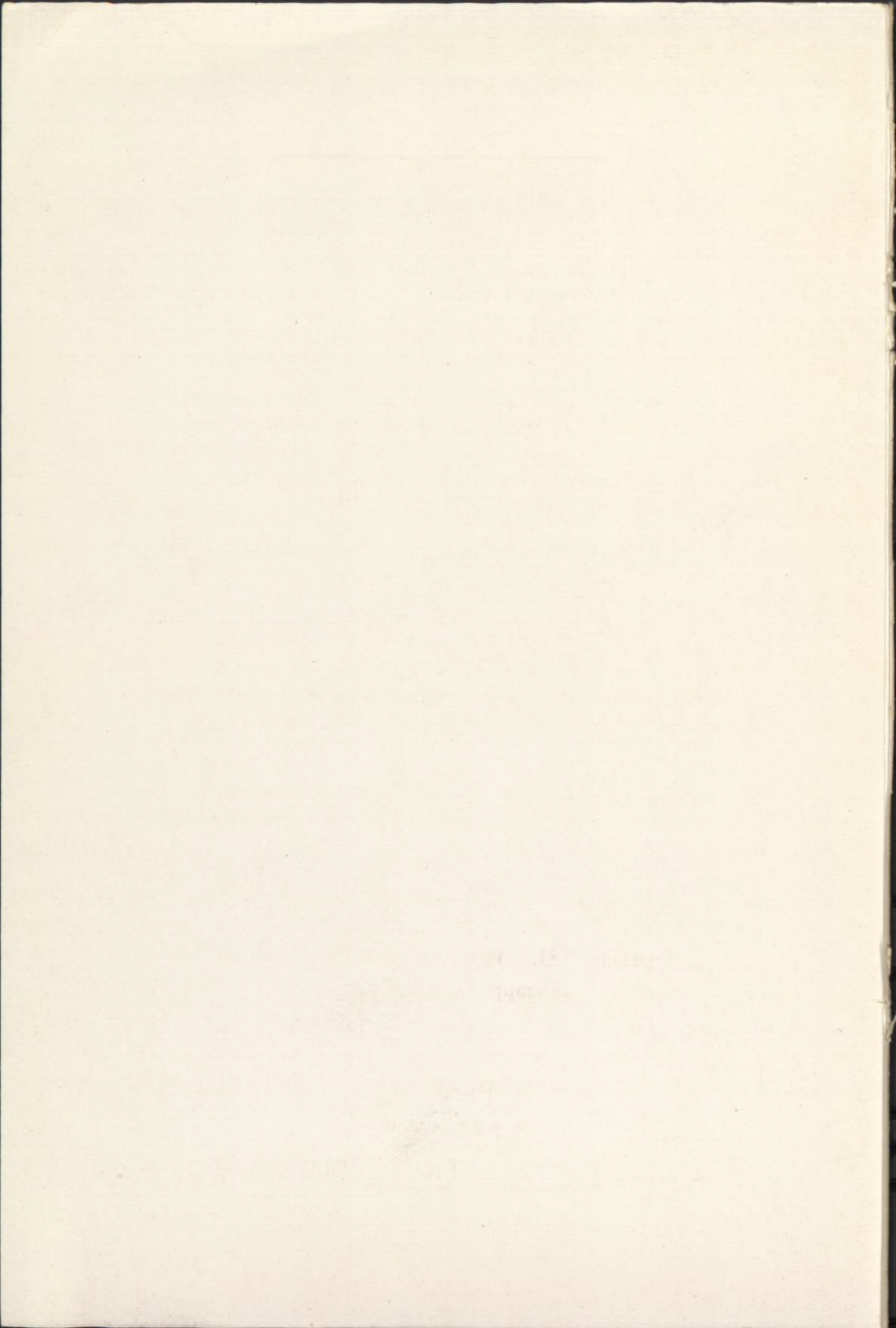
An examination of the details of the accounts receivable shows them to represent current, good book accounts, all accounts known to be bad having been charged off.

We did not make a physical inspection of the plant, but did examine the amounts added to the plant accounts during the year, and are satisfied that they constitute proper charges. Reserves have been set up for Federal taxes and depreciation of plant and machinery.

Subject to the foregoing, the consolidated balance sheet, in our opinion, represents the true financial condition of your company as of December 31, 1928.

STOCKWELL, WILSON & LINVILL
Certified Public Accountants

February 4, 1929.



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